Increase by MNCs in their stake in Indian companies

6053. SHRI T. VENKATRAM REDDY:

SHRI G. PRATHAPA REDDY:

Will the Minister of FINANCE be pleased to state:

(a) what is the position of Financial Institutions in Indian Companies which have 26% holding by multinational companies which are all run by Indian professional management, when these multi-nationals are trying to dislodge the efficient management with vested interests;

(b) whether Government are evolving a policy to protect these professionally run companies from such manipulative take-overs of getting equity in the existing companies through them without offering to the public as the first option; and

(c) whether it is necessary for these multi-nationals to increase their stake in the profitably run Indian companies?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) It has been the consistent policy of the Government that the Financial Institutions who have equity stakes in Indian companies should act independently in their best commercial interests. In pursuance of these objectives the Financial Institutions support efficient managements of well run companies.

(c) This is a matter left to the commercial judgement of the multinationals and to the shareholders in the company concerned. Selective increases in equity require support of 75% of shareholders voting in the Annual General Meeting.

Assessment of expenditure on marriage/reception functions

6054. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether there has been a sudden increase in the on-the-spot investigations by IT officers u/s 133(5) of IT Act, to assess the extent of expenditure of ostentatious nature on marriage/reception functions;

(b) whether the discretion of assessing the scale of expenditure lying with the concerned IT officers, gives ample scope for the misuse of the provision by unscrupulous taxmen, leading to harassment of hosts/parents of bride; and

(c) whether the IT authorities would devise a more humane and effective way of realising tax dues under this provision, saving the assessees from trauma and harassment?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) No Sir, there is no sudden increase in the on-the-spot investigations by IT officers u/s 133A(5) of IT Act to assess the extent of expenditure of ostentatious nature on marriage/reception functions. This is evident from the details of Surveys conducted u/s 133A(5) during the last three years:

1992-93	664
1993-94	487
1994-95 (Upto Feb.95)	226*

(*provisional)

(b) and (c) There is no absolute discretion with the assessing officer to assess the scale of expenditure upto a certain extent/level. His assessments are required to be supported by evidence gathered during the course of survey/enquiries. The enquiries are personally supervised by

senior officers and care is taken to avoid any hardship or embarrasment to the parties. It is ensured that survey teams do not act during ceremonies and evidences are gathered only after conclusion of ceremonies.

Opening of private bank in Punjab

6055. SHRI GURUDAS DAS GUPTA: Will the Minister of FINANCE be pleased to state:

(a) whether Government have allowed the opening of a private bank in Punjab recently;

(b) if so, the details thereof; and

(c) what are the details of leading members of management?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) to (c) Reserve Bank of India (RBI) has reported that it has issued a licence, under Section 22 of the Banking Regulation Act, 1949, to Bank of Punjab Limited on 5.4.1995 to carry on banking business with its registered office at Chandigarh. Besides Dr. Inderjit Singh, promoters of the bank include Shri Gian Prakash, former Comptroller and Auditor General of India and Shri Surjit Singh Majithia, former Union Defence Minister. The names of the Directors on the Board of the Bank, as reported by RBI, are given below:—

1. Shri Surendra Singh — *Managing Director*
2. Dr. Inderjit Singh
3. Shri Gian Prakash
4. Shri G. S. Mann
5. Dr. A. S. Marwah
6. Smt. Damyant Kaur
7. Shri Hari Nath Vohra
8. Shri Darshanjit Singh
9. Shri Surjit Singh Majithia
10. Shri Bishan Singh Samunderi

Amount Disbursed by Tourism Finance Corp. of India

6056. SHRI VAYALAR RAVI: Will the Minister of FINANCE be pleased to state:

(a) the total amount disbursed by the Tour Finance Corporation of India during the last four years.

(b) the State-wise break-up and the names of the institutions|projects;

(c) how many applications were received from Kerala for during the last four years and the amount sanctioned and the names of the institutions|projects that received the financial assistance; and

(d) how many applications are pending and the reasons for the delay in approving the projects?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) The total amount disbursed by Tourism Finance Coroporation of India Limited (TFCI) during the last four years is as under.

	(Rs. Crores)
1991-92	48.30
1992-93	59.79
1993-94	78.70
1994-95	137.11

(b) The State-wise break up of assistance disbursed by TFCI during the last four years is given in the Statement (*See* below).

(c) TFCI has reported that it had received applications for financing 11 projects in the State of Kerala during the last four years out of which assistance to 9 projects aggregating Rs. 33 crores was sanctioned by it.

(d) TFCI has reported that presently no application is pending with it from the State of Kerala.